

CITY OF BRYAN, TEXAS

Compliance and Single Audit Reports

For the Year Ended September 30, 2005



THE CITY OF BRYAN, TEXAS
 SCHEDULE OF EXPENDITURES OF FEDERAL
 AWARDS AND INDEPENDENT AUDITORS'
 REPORTS ON INTERNAL CONTROL AND COMPLIANCE
 FOR THE YEAR ENDED SEPTEMBER 30, 2005
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Ingram, Wallis & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Mayor Ernie Wentrcek,
Members of the City Council and
City Manager of the City of Bryan
Bryan, Texas

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Bryan, Texas (the "City") as of and for the year ended September 30, 2005, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 21, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the Mayor, City Council, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Bryan, Texas
December 21, 2005

Ingram, Wallis ; Company



Ingram, Wallis & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Mayor Ernie Wentrcek,
Members of the City Council and
City Manager of the City of Bryan
Bryan, Texas

Compliance

We have audited the compliance of the City of Bryan, Texas (the "City") with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended September 30, 2005. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organization*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended September 30, 2005.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal and State Awards

We have audited the financial statements of the government activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of and for the year ended September 30, 2005, and have issued our report thereon dated December 21, 2005. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information of the Mayor, City Council, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Bryan, Texas
December 21, 2005

D. Ingram, Wells & Lupton

CITY OF BRYAN, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2005

<u>Federal Grantor/Program Title</u>	<u>Pass-Through Grantor/State Number</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
<u>Federal Grant Funds</u>			
<u>U.S. Department of Housing and Urban Development</u>			
Community Development Block Grant 2003	B-2003-MC-480006	14.218	\$ 206,887
Community Development Block Grant 2004	B-2004-MC-480006	14.218	988,513
HOME Grant 2001	M-2001-MC-480229	14.239	580
HOME Grant 2002	M-2002-MC-480229	14.239	33,059
HOME Grant 2003	M-2003-MC-480229	14.239	197,397
HOME Grant 2004	M-2004-MC-480229	14.239	172,151
			<u>1,598,587</u>
<u>Passed Through Texas Department of Housing and Community Affairs</u>			
Emergency Shelter Grant (9/1/2004 – 8/31/2005)	424348	14.231	67,245
Emergency Shelter Grant (9/1/2005 – 8/31/2006)	425348	14.231	7,697
			<u>74,942</u>
<i>Total U.S. Department of Housing and Urban Development</i>			<u>1,673,529</u>
<u>U.S. Department of Criminal Justice</u>			
LLEBG – 2004	2004-LB-BX-0912	16.592	25,158
COPS in Schools	2002SHWX0453	16.710	149,629
Bullet Proof Vest Partnership (BVP)	2001-BU-BX-01007667	16.607	10,426
			<u>185,213</u>

CITY OF BRYAN, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2005

<u>Federal Grantor/Program Title</u>	<u>Pass-Through Grantor/State Number</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
<u>Passed Through Texas Engineering Extension Service</u>			
ODP State Domestic Preparedness Equipment Program	2002-TE-CX-0074	16.007	\$ 11,773
Pre-2004 State Homeland Security Program (SHSP)	2003II-SHSGP-10912	16.007	82,792
2004 Texas State Homeland Security Program (SHSP)	2004-SHSP-10912	97.004	111,349
2004 Law Enforcement Terrorism Prevention Program (LETPP)	2004-LETPP-10912	97.004	45,498
			<u>251,412</u>
<i>Total U.S. Department of Criminal Justice</i>			<u>436,625</u>
<u>U.S. Department of Transportation</u>			
<u>Passed Through Texas Department of Transportation</u>			
Click It or Ticket	585XXF6140	20.600	<u>2,995</u>
Total Federal Grant Funds			<u>\$ 2,113,149</u>

THE CITY OF BRYAN, TEXAS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2005

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General - The accompanying Schedule of Expenditures of Federal Awards presents all federal expenditures of the City of Bryan, Texas (the "City").

Basis of Accounting - The expenditures on the accompanying Schedule of Expenditures of Federal Awards are presented on the accrual basis.

Relationship to Basic Financial Statements - Expenditures of federal awards are reported in the City's basic financial statements on the accrual basis.

Relationship to Federal Financial Reports - Amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree with the amounts reported in the related federal financial reports in all significant respects.

THE CITY OF BRYAN, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2005

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: *unqualified*

Internal control over financial reporting:

- Material weakness (es) identified? ☐ yes ☒ no
- Reportable condition(s) identified that are not considered to be material weaknesses? ☐ yes ☒ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards

Internal control over major programs:

- Material weakness (es) identified? ☐ yes ☒ no
- Reportable condition(s) identified that are not considered to be material weaknesses? ☐ yes ☒ none reported

Type of auditors' report issued on compliance for major programs: *unqualified.*

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? ☐ yes ☒ no

Identification of major programs:

<i>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster</i>
14.218	Community Development Block Grant

Dollar threshold used to distinguish between Federal type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? ☒ yes ☐ no

SECTION II - FINANCIAL STATEMENT FINDINGS

There were no findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no Federal award findings and questioned costs required to be reported by Section 510(a) of OMB Circular A-133.

**THE CITY OF BRYAN, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2004
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS**

FINANCIAL STATEMENT FINDINGS

There were no findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no Federal award findings and questioned costs required to be reported by Section 510(a) of OMB Circular A-133.